

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

Official Minutes

TABLE OF CONTENTS

May 9, 2006

Bond Financing Program	3
------------------------------	---

May 10, 2006

COMMISSION/DIRECTOR ITEMS

Closed Meeting	3
Approval of Minutes	4
Consent Agenda	4
Reports of Commission Committees and Commission Related Boards	5
Director's Report	5

MODOT STAFF PRESENTATIONS

Shareleave Committee	6
----------------------------	---

POLICIES/ADMINISTRATIVE RULES

Administrative Rules, Final Order of Rulemaking, 7 CSR 10-14, Adopt-A-Highway Program	7
Administrative Rules, Notice of Amended Rulemaking, 7 CSR 10-25.040, Notice to be Given to Consumers by Household Goods Carriers, Timing of Delivery, Form and Contents	8
Administrative Rules, Final Order of Rulemaking, 7 CSR 10-26, Arbitration and Medication of Construction Disputes	8
Debt Management Policy – Revisions	9

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

Statewide Transportation Improvement Program	11
Consideration of Bids on Federal-Aid and State Projects	15
Roadway Location and/or Design Approval	17
Ratification of Approval of Right of Way Plans for Condemnation	20
The Broadway-Fairview Transportation Development District, Appointment of Advisor and Approval of Project	20
The Tower Transportation Development District, Appointment of Advisor and Approval of Project	21

BUSINESS ISSUES

Information System Budget Process Improvement	22
Budget, Fiscal Year 2007	23

Medical and Life Insurance Plan, Pharmacy Benefits Consulting Services -----	24
Incarcerated Work Release Crews, Transportation -----	25
Advance Traffic Management System for the Springfield-Branson Region (Phase 2) -----	26
Service Contract for Operational Staffing – St. Louis Transportation Management Center -----	26

PROPERTY RIGHTS

Disposal of Excess Property, Route 61/67, St. Louis County -----	27
Break in Access, Route 136, Clark County -----	27

--REPORTS--

Contractor Performance Report -----	28
Financial Report – Fiscal Year 2006 -----	28
Financial Accountability Report - Quarterly Report -----	28

**MINUTES OF REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN
JEFFERSON CITY, MISSOURI, ON TUESDAY, MAY 9, 2006,
AND WEDNESDAY, MAY 10, 2006**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Tuesday, May 9, 2006, and Wednesday, May 10, 2006, in Jefferson City, Missouri. The May 9, 2006, meeting was informational with no action being requested or taken. On May 10, 2006, Chairman Bill McKenna called the open meeting to order at 9:30 a.m. The following Commissioners were present: Marjorie B. Schramm, Vice Chairman, James B. Anderson, Mike Kehoe, and David A. Gach. Having provided the Commission with prior notice of a previous commitment, Commissioner Duane S. Michie was not present.

The meeting had been called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

* * * * *

* * * * *

Pete Rahn, Director of the Missouri Department of Transportation, Rich Tiemeyer, Chief Counsel for the Commission, and Mari Ann Winters, Secretary to the Commission, were present on Tuesday, May 9, 2006, and Wednesday, May 10, 2006.

* * * * *

*"Department" or "MoDOT" herein refers to Missouri Department of Transportation.
"Commission" or "MHTC" herein refers to Missouri Highways and Transportation Commission.*

May 9, 2006

BOND FINANCING PROGRAM

The Commission met with members of the MoDOT staff, MoDOT's financial advisor (Public Financial Management), bond counsel (Gilmore & Bell), and the lead banker for the 2006 bond sale (Bank of America) to review outstanding and anticipated bond sales, the 2006 Plan of Finance, and a proposed amendment to the Commission's debt management policy.

No action was taken by the Commission during the May 9, 2006, session.

* * * * *

May 10, 2006

CLOSED MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo., including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(11), (12) – Specifications for competitive bidding, sealed bids, or negotiated contracts.
2. Section 610.021(1) – Legal actions and attorney-client privileged communications.
3. Section 610.021(3), (13) – Personnel administration regarding particular employees.

Immediately prior to closing its meeting at 8:00 a.m., and upon motion duly made and seconded to convene in closed session, the Chairman asked for a voice vote of the members.

The vote was as follows:

Commissioner McKenna, Aye
Commissioner Schramm, Aye
Commissioner Anderson, Aye
Commissioner Kehoe, Aye
Commissioner Gach, Aye

whereupon the Commission closed its meeting. The closed meeting adjourned at 9:25 a.m.

* * * * *

APPROVAL OF MINUTES

Upon motion by Commissioner Schramm, seconded by Commissioner Gach, the Commission unanimously approved the minutes of the regularly scheduled meeting held on April 12, 2006. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

* * * * *

CONSENT AGENDA

Consent Agenda Process

In order to make the most efficient use of Commission meeting time and to ensure the Commission members are well informed on issues requiring their action, the staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items on the Commission meeting agenda. Those items considered by the staff to be of a routine or noncontroversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to "consent agenda" is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

Consideration of May 10, 2006, Consent Agenda

Upon motion by Commissioner Schramm, seconded by Commissioner Gach, all items on the May 10, 2006, consent agenda were unanimously approved.

* * * * *

REPORTS OF COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees' Retirement System Board of Trustees. The following committee reports were made during the May 10, 2006, meeting.

Legislative Committee – Chairman McKenna reported that many of the proposals in the Commission's legislative package are making good progress and expected to be enacted by the General Assembly. Chairman McKenna reported that a bill pertaining to eminent domain, which was recently enacted by the legislature, would have a significant impact on MoDOT.

Chief Engineer Kevin Keith explained that the eminent domain bill contains provisions that will increase the cost of property purchased for road and bridge improvements and increase the time needed to complete the acquisition process. The *heritage value* provision requires a 50 percent increase in the fair market value for land held in continuous family ownership for over 50 years. The *homestead-taking* provision requires a 25 percent increase in the fair market value of a property owner's home or property located within 300 feet of a property owner's home. Other provisions will increase the time for MoDOT to take possession of acquired property from 30 to 100 days. Mr. Keith said while the provisions pertain only to those properties acquired through the condemnation process, MoDOT would also apply these provisions to properties acquired through the negotiation process.

At the Commission's June 2006 meeting, Jay Wunderlich, Director of Governmental Relations, will report on all bills affecting transportation that were considered by the 2006 General Assembly.

MoDOT and Patrol Employees' Retirement System Board of Trustees – Commissioner Anderson reported that the MoDOT and Patrol Employees' Retirement System Board of Trustees would meet on June 22, 2006.

* * * * *

DIRECTOR'S REPORT

Director Pete Rahn, provided the following report:

Memorandum of Understanding – Mr. Rahn recalled the delegation that met with the Commission on January 11, 2006, to express its desire for minority and economically disadvantaged individuals in the St. Louis area to be provided opportunities for employment on a major project to reconstruct I-64 in St. Louis. He reminded the Commission that Julie Cunningham, Executive Director of the National Conference on Minority Transportation Officials, had been retained to mediate discussions among the various parties involved with the I-64 project and the employment of highway and bridge construction workers.

Mr. Rahn expressed pleasure that a Memorandum of Understanding has been drafted and is scheduled for signature by all parties on Friday, May 12, 2006. In keeping with the memorandum, MoDOT will provide funding for incentive payments to contractors, within specified limits, for employment of minority, women, and economically disadvantaged workers and also provide funding for training and employment programs provided they are monitored and evaluated for effectiveness by an advisory committee.

Tracker – Mr. Rahn referred to the most recent condition of Missouri’s major roads as reflected in the April 2006 *Tracker* performance measurement system. He stated that as a result of progress being made on MoDOT’s Smooth Roads Initiative, there has been an increase from 47.4 percent of the major roads in good condition at the end of 2004 to 60.8 percent at the end of 2005. “Major roads” are comprised of 5,400 miles of roadway that carry approximately 80 percent of the traffic in Missouri. The percentage of major roads in good condition continues to climb as work on the Smooth Roads Initiative continues.

Anniversary of the Interstate System – Mr. Rahn advised the Commission that MoDOT is co-sponsoring a conference on June 22, 2006, at the University of Missouri--Columbia to commemorate the 50th anniversary of the Interstate System. The conference will include discussions of the current condition of the interstate roadways and the future of the interstate system.

PIE (Partnering for Innovative Efficiencies) Meeting – The second PIE meeting took place on April 26, 2006, in Columbia. At the meeting 81 participants, including MoDOT staff, identified thirteen solutions and actionable items to improve the process for utility installations and relocations, which are critical to timely delivery of highway improvement projects. These items will be fully implemented by the end of the year.

* * * * *

SHARELEAVE COMMITTEE

On behalf of the Director, Micki Knudsen, Director of Human Resources, presented an overview and update on the ShareLeave Program and Committee. The program, which began in 1992, allows MoDOT employees to donate vacation and comp time to help co-workers who have exhausted all paid leave time as a result of catastrophic or life-threatening situations. A committee of six MoDOT employees, serving two-year staggered terms, administers the program.

Ms. Knudsen recognized Curtis Henry, Senior Highway Designer, District 2, and Wayne Hinkle, Senior General Services Specialist, Central Office for their contributions to the

committee during the past two years. She also introduced the current committee members: Pam Hoelscher, Operations Specialist, Central Office; Janice Frazier, Customer Services Representative, District 10; Joe Pestka, Administrator of Aviation, Central Office; Jose Rodriguez, Senior Traffic Engineer Specialist, District 1; Sandra Fritz, Construction Project Office Assistant, District 6; and Debra Stuart, Senior Financial Services Specialist, District 8.

* * * * *

ADMINISTRATIVE RULES, FINAL ORDER OF RULEMAKING, 7 CSR 10-14, ADOPT-A-HIGHWAY PROGRAM

On behalf of the Director, Jim Carney, State Maintenance Engineer, reported that no comments had been received on the proposed amended rulemaking approved by the Commission at its January 11, 2006, meeting. Mr. Carney recommended that the Final Order of Rulemaking be adopted as it was published in the *Missouri Register* for comment. The proposed amended rules update and clarify Adopt-A-Highway Program regulations.

Via approval of the consent agenda, the Commission unanimously approved the final order of rulemaking, Title 7, Code of State Regulations, 10-14.010 through 10-14.060, Adopt-A-Highway Program, and authorized the Secretary to the Commission to file the final rules with the Joint Committee on Administrative Rules and the Office of the Secretary of State. The Commission further authorized the Director, Chief Engineer, or Chief Financial Officer, to execute any document appropriate to initiate the rulemaking process.

* * * * *

**ADMINISTRATIVE RULES, NOTICE OF PROPOSED AMENDED RULEMAKING,
7 CSR 10-25.040, NOTICE TO BE GIVEN TO CONSUMERS BY HOUSEHOLD GOODS
CARRIERS—TIMING OF DELIVERY, FORMS AND CONTENTS**

On behalf of the Director, Jan Skouby, Director of Motor Carrier Services, presented a proposed amendment to Title 7, Code of State Regulations 10-25.040, Notice to be Given to Consumers by Household Goods Carriers—Timing of Delivery, Form and Contents, which will replace an out-of-date website address with the correct address for Motor Carrier Services.

Via approval of the consent agenda, the Commission unanimously authorized the Secretary to the Commission to file the proposed amended rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State for publication in the *Missouri Register*. The Commission further authorized the Director, Chief Engineer, or Chief Financial Officer to execute any document appropriate to initiate the rulemaking process.

* * * * *

**ADMINISTRATIVE RULES, FINAL ORDER OF RULEMAKING,
7 CSR 10-26, ARBITRATION AND MEDIATION OF CONSTRUCTION DISPUTES**

On behalf of the Director, David Ahlvers, State Construction and Materials Engineer, recalled that on January 11, 2006, the Commission authorized the staff to submit proposed amended rules for Title 7, Code of State Regulations 10-26.010 and 10-26.020, Arbitration and Mediation of Construction Disputes, for publication in the *Missouri Register* to reflect the revised monetary cap on construction claims eligible for mandatory binding arbitration. The proposed amended rules further included wording to eliminate the need to revise the rule annually for the purpose of reflecting the most current monetary cap.

Mr. Ahlvers reported that as a result of public comments received on the proposed rule, the staff has revised its amendment to state that the monetary cap on claims eligible for

arbitration shall be published by an “In Addition” notice in the *Missouri Register*, which will be less burdensome than amending the rules. In addition, the staff proposed some changes for clarification, the most significant of which references Section 226.096 of the statutes as a means to incorporate the most current versions of the (1) American Arbitration Association’s Construction Industry Arbitration Rules and Mediation Process and (2) MoDOT’s Standard Specifications. Another revision clarifies that any claim may be mediated by any method agreed to by the parties provided the claim follows the process established in Section 226.096, RSMo. Mr. Ahlvers recommended approval of the final order of rulemaking as modified.

Via approval of the consent agenda, the Commission unanimously approved the recommendation and authorized the Secretary to the Commission to file the final rules for Title 7, Code of State Regulations 10-26.010 and 10-26.020, Arbitration and Mediation of Construction Disputes. The Commission further authorized the Director, Chief Engineer, or Chief Financial Officer to execute any document appropriate to complete the rulemaking process.

* * * * *

DEBT MANAGEMENT POLICY

On behalf of the Director, Kirk Boyer, Resource Management Director, recommended the Commission’s Debt Management Policy be revised by replacing Section 18 thereof with the following language. He explained that the amendment would allow use of derivative products to manage interest rate risk, other financing risks, or reduce the interest cost of any debt the Commission is authorized to incur. Mr. Kirk said he anticipated the Commission would only use the derivative product if expected savings are commensurate with assumed risks or the product reduces the Commission debt portfolio risk exposure.

Section 18: Use of Derivative Products

The Commission shall consider the use of derivative products to manage interest rate risk, or other financing risks, or to reduce the interest cost on any debt it is authorized to incur. The Commission shall not consider any derivative product that creates extraordinary leverage or financial risk.

Before entering into a derivative product contract, the Commission shall:

- Identify the specific financial objective(s) to be realized.
- Seek and obtain analysis and recommendations on the use of any derivative product(s) from an independent financial advisor (“advisor”).
- Assess the product’s risks.

The analysis and recommendation of the advisor shall establish that the financial risks to the Commission from using derivative product(s) are justified in relation to the expected benefit to be obtained from such product(s). At a minimum, the Commission and advisor shall evaluate the following risk factors: potential basis cost, interest rate, tax, termination, credit, liquidity, counterparty, rating agency and amortization.

Derivative product contracts shall not exceed 20 percent of the Commission’s outstanding long-term debt, adjusted for any authorized long-term debt not yet issued. This limitation excludes cash settled swaps.

The Commission shall only enter into agreements with highly rated financial institutions (“counterparty”). All counterparties shall be rated by at least two of the three national rating agencies and at least one rating shall be no lower than “AA-“ by Standard & Poor’s Rating Services or Fitch Investors Ratings Service or “Aa3” by Moody’s Investors Services, Inc. In addition, the Commission and advisor shall establish criteria to diversify its exposure to individual counterparties.

Derivative product transactions shall be managed and evaluated by the advisor and Department staff responsible for such transactions on behalf of the Commission. All services related to the derivative products shall be procured in a manner which is intended to provide the Commission the highest level of service at the best available terms and pricing while ensuring consistency with applicable laws.

Via approval of the consent agenda, the Commission unanimously approved the above amendment to its Debt Management Policy.

* * * * *

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

On behalf of the Director, Kevin Keith, Chief Engineer and Machel Watkins, Transportation Planning Director, presented the draft 2007 – 2011 Statewide Transportation Improvement Program (STIP) to the Commission.

Mr. Keith emphasized that the proposed STIP contains no new major projects. The focus of the 2007-2011 STIP is delivery of the commitments in the 2006-2010 STIP. He explained that the 2006-2010 program was the largest program in MoDOT's history due to the work anticipated to be completed with bond financing as allowed by Amendment 3. Year 2011 of the STIP does not include bond-financing revenue and is beyond the current federal transportation highway program; therefore, the level of future federal funding is unknown.

Another focus of the STIP is to improve the condition of the major roads and bridges. Mr. Keith reported that great progress is being made on the 2,200-mile Smooth Roads Initiative, which is scheduled to be completed by the end of 2006. He said this momentum would continue as the staff focuses on getting the next 3,200 miles of roads in good condition.

Mr. Keith noted that the combination of the following three situations results in concern as it pertains to the STIP and, as a result, these issues are being closely monitored by the staff: (1) project construction awards in Fiscal Year 2006 to date are \$66 million over the programmed estimates; (2) revenue is down approximately \$30 million; and (3) the new eminent domain legislation will increase the costs of right of way acquisitions.

Ms. Watkins explained that preparation of a STIP is federally mandated and provides direction for all modes of transportation in Missouri over a five-year period. The 2007-2011 STIP totals \$6.8 billion: \$5.4 billion for highway and bridges, \$0.7 billion for other modes, and \$0.7 billion for sub-allocated programs.

Delivering the projects in the STIP will positively impact many of MoDOT's tangible

results. The 2007-2011 STIP focuses on delivering the commitments in the STIP and improving the condition of the major roads. The STIP includes the Smooth Roads Initiative, projects to be accelerated, and new projects added last year.

Ms. Watkins said the staff again used the planning framework process to identify and prioritize the program. She reported that MoDOT's planning partners met with the staff multiple times to identify potential needs, which will allow studies to be scheduled in anticipation of funding. The results of the planning framework process, as well as above-the-line federally earmarked projects, will be included in the final version of the STIP to be presented to the Commission in July 2006.

The proposed STIP includes over \$2.2 billion dollars for taking care of the existing system over the five-year period. There are 1,000 miles of major roadway improvements, worth \$340 million, currently in the STIP, with more to be added in the final version of the STIP.

The Commission asked the staff to include, in its July 2006 presentation, the locations and number of highway corridors that will be completed as a result of major highway improvements.

Ms. Watkins explained that the 2007-2011 STIP contemplates maintaining the minor roads in their current condition.

Ms. Watkins reported that all of the projects in the STIP have a safety component; however \$125 million has been set aside to address location-specific issues yet to be identified. In addition \$60 million has been dedicated for highway safety as a result of the enactment of state legislation prohibiting open alcoholic beverage containers in vehicles.

Ms. Watkins explained that \$30 million has been set aside for economic development projects. She reported that to date MoDOT has been able to meet all requests for this category of funding; however, the staff continues to closely monitor this program to ensure the amount of

dedicated funding is adequate.

Mr. Weiler advised the Commission that while MoDOT owns Missouri's highways and bridges, it does not own any multimodal facilities. Such facilities are primarily owned by local entities, cities, and counties. He briefly discussed the funding proposed in the 2007-2011 STIP for each of the following transportation modes.

- **Aviation** - \$174 million over the five-year period on Missouri's 120 public use, general aviation airports. The primary source of state aviation funding is jet fuel sales tax. Mr. Weiler reported that a proposal currently being considered by Congress would cut federal funding for aviation by approximately one-third.
- **Railroads** - \$70 million allotted for railroad grade crossing safety improvements and continuation of the AMTRAK service.
- **Waterways** - \$9.5 million funding for port administration and continuation of two ferryboat operations in southeast Missouri. Port improvements include rail and/or highway connections.
- **Transit** - \$475 million. Of that amount, \$250 million are federal pass through funds that flow directly to cities with populations of 50,000 or more, and \$225 million are administered by MoDOT.

Director Rahn referred to Mr. Keith's statement of concern regarding increased project costs and decreased revenues. He said MoDOT has no ability to control the market prices of oil, concrete, steel, asphalt, etc. However, he said the staff could ensure that its designs are as cost effective as possible. He noted that MoDOT has had greater success in controlling construction costs than the other states, and he attributed that success to MoDOT's use of the practical design concepts. He said the staff could also control costs through management of construction projects in order to minimize design changes, change orders, and cost overruns. He said the staff's success in construction management was reflected by its delivery of \$1 billion worth of project with a zero cost difference.

Mr. Rahn stated that the 2007-2011 STIP is conservative in its approach as a result of the Commission's commitment to deliver all projects in a Commission-approved STIP and the

staff's lack of control of rising market prices. He clarified that decreases in the STIP in years 2010 and 2011 reflect that (1) the proceeds from bonding will have been utilized and (2) discussions at the national level regarding the Federal Highway Program are not in keeping with the historical trend of three percent annual increases. He noted, in fact, that federal discussions are questioning whether the National Highway Trust Fund support the level of authorized funding for Fiscal Year 2009. He clarified that it was the intent of Congress to maximize the proceeds of the highway program back to the states, and it appears that goal will be successful with Fiscal Year 2009 showing a zero balance. However, he said, this would also mean that a \$34 billion annual highway program will be the maximum that can be sustained. Therefore, without additional resources going into the Highway Trust Fund, there is no room for growth. He cautioned, therefore, that the staff could not assume that the federal program would grow at the same level that it has historically grown.

In response to an inquiry from Chairman McKenna regarding below-the-line federally earmarked funds, Mr. Keith felt that most of these types of projects would be included in the final 2007-2011 STIP. Projects that would not be included would be those where the local communities have not determined their means to proceed with the project.

In response to Chairman McKenna's inquiry regarding the strategies being used by other states to counter increased costs and reduced revenues, Mr. Keith said that some states are canceling some projects in their STIPs. He noted that Mr. Rahn was heading an American Association of State Highway and Transportation Officials (AASHTO) national committee charged with looking at long-term direction and policy of the federal highway program.

Director Rahn reported that the most current federal highway legislation created two special commissions: one will review the future funding of the highway system in the United States; the other will review the future role of the federal government in transportation. The

commissions will begin work within the next 60 days and report back to Congress by July 2007. Mr. Rahn is chairing the AASHTO policy committee on the future role of the federal government in transportation.

The 2007-2011 STIP will be made available to the public for a 45-day comment period after which the staff will return to the Commission's July 11, 2006, meeting with further recommendations for the Commission's consideration.

* * * * *

CONSIDERATION OF BIDS ON FEDERAL-AID AND STATE PROJECTS

On behalf of the Director, Dave Nichols, Director of Project Development, presented the following recommendations pertaining to bids received by MoDOT on April 28, 2006.

Award of Contracts April 28, 2006, Bid Opening

Mr. Nichols stated that bids for road and bridge improvement projects had been received on April 28, 2006, and he recommended awards be made to the lowest responsive and responsible bidders noted in Table I below.

**Table I
Award of Contracts
April 28, 2006, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
101	D	Nodaway	J1S0828	\$ 382,249.00	\$ 0	Columbia Curb & Gutter Co.	Bridge Replacement – Concrete Girder and Optional Pavement
301	AA	Scotland	J3S0657	214,636.68	0	Boone Construction Co.	Grading, Drainage and Bridge Rehabilitation
302	15	Audrain	J3P0434	861,390.26	0	Widel, Inc.	Replace Concrete Girder Bridge
401	Various	Cass/ Clay/ Jackson/ Lafayette/ Platte	J4I1886	793,499.89	0	Leath & Sons, Inc.	Replace Overhead Signs in the Kansas City Area
402	71/150	Jackson	J4S1885	771,817.16	288.00	United Rentals Highway Technologies, Inc.	Remove and Replace Pavement Markings

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
405	70 SOR	Lafayette	J4I0977	887,100.00	332.16	Emery Sapp & Sons, Inc	Grading, Optional Bid Pavement and Bridge Replacement (Concrete Girder)
601	100	St. Louis City	J6S1879	3,384,905.67	376,573.10	T.G.B., Inc.	Upgrade Traffic Signals and Install ITS Equipment
602	70	St. Louis City	*J6I1709	11,886,702.95	656.00	Keeley & Sons, Inc.	Removal and Replacement of the Polymer Concrete Overlay on the Poplar Street Bridge
	70	St. Louis City	J6I1892				Remove and Replace the Existing Gore Impact Attenuators
	55	St. Louis City	J6I1906				Hydrodemolition of Bridge Deck and Application of Latex Modified Concrete Wearing Surface
603	21	Jefferson	J6P0876	14,753,133.43	0	Fred Weber, Inc.	Alternate Bid PCC or Superpave, Highway Lighting and Traffic Signals
	21	Jefferson	J6P0876J		0		Grading, Drainage and Bridge – Concrete Girder
604	67	Jefferson	J6P1860	186,490.00	0	Gerstner Electric Inc.	Advance Intersection Flashers and Highway Signals
605	340	St. Louis	J6S1773	455,932.10	656.00	Fred Weber, Inc.	Coldmilling, Bonded Concrete Overlay and Asphalt Base Widening
606	44	St. Louis City	J6I1790	4,589,533.46	0	Kozeny – Wagner, Inc.	Coldmilling, Bridge Rehabilitation and Resurfacing with Superpave
607	67	St. Charles/ St. Louis	J6P1538	3,711,120.31	656.00	Fred Weber, Inc.	Bridge – Rehabilitation
608	Various	Franklin/ Jefferson/ St. Charles/ St. Louis/ St. Louis City	J6I1797	664,644.43	330,077.00	Collins & Hermann, Inc.	Sign Replacement in the Saint Louis Area
701	71B	Jasper	J7S0709C	42,816.00	0	Ron Reed Dozing	Demolition and Site Clean-up
801	44	Greene	J8U0548B	25,160,334.65	1,312.00	Emery Sapp & Sons, Inc.	Grading, Drainage, Bridge – Steel Girder and Retaining Walls
802	13	Stone	J8P0452D	13,336,319.31	2,579.20	McAninch Corporation	Grading, Drainage and Alternate Bid PCC or Superpave
803	64	Dallas	J8P0815	232,259.75	0	Randy S. Callahan Construction Company, Inc.	Slide Repair
805	38	Wright	J8S0580	595,166.48	144.00	Joe's Bridge & Grading, Inc.	Grading, Drainage and Bridge – Concrete Girder
807	160	Ozark/ Taney	J8P0827	263,255.00	21,162.00	APAC – Missouri, Inc.	Chip Seal, Grade A
Totals				\$83,173,306.53	\$734,435.46		

*Concurrence in award with Illinois Department of Transportation – MoDOT is responsible for 50 percent.

Rejection of Bids, April 28, 2006, Bid Opening

Mr. Nichols recommended that call 303, 403, 804, and 806 received on April 28, 2006, be rejected because they are considered excessive, see Table II below.

**Table II
Rejection of Bids
April 28, 2006**

Call No.	Route	County	Project No.
303	E	Montgomery	J3S0488
403	169	Clay	J4S1880
804	38	Wright	J8S0731
806	76	Douglas	J8P0723

Commission Action

After consideration and upon motion by Commissioner Schramm, seconded by Commissioner Gach, the Commission took the following actions:

1. Awarded contracts to the lowest responsive and responsible bidders for bids received on April 28, 2006, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation. Chairman McKenna abstained from voting on Call No. 603.
2. Rejected calls 303, 403, 804, and 806 received on April 28, 2006, as shown in Table II above because they were considered excessive.

In keeping with the Commission's Delegation of Authority to Execute Documents, the Director, Chief Engineer, Chief Financial Officer, or the Director of Program Delivery may execute the contracts awarded above.

* * * * *

ROADWAY LOCATION AND/OR DESIGN APPROVAL

On behalf of the Director, District Engineers informed the Commission that preliminary plans and exhibits for the following projects were advertised for and/or presented at a public hearing.

**Route I-435, Jackson County
Front Street Interchange Improvements
Job No. J4I1121B**

Public Hearing Held January 17, 2006

This proposed improvement provides for realigning Front Street under I-435 into a diverging diamond interchange and improvements on Front Street. I-435 will have six 12-foot lanes with 10-foot and 4-foot shoulders. Front Street will have four 12-foot lanes with 2-foot curb and gutter. I-435 will have fully controlled right of way and Front Street will have normal right of way. Traffic will be maintained over the existing roadways with lane reductions during construction. This project is 0.9 mile in length.

Ms. Beth Wright, District 4 Engineer, recommended approval of the location and design of the proposed project as presented at the public hearing with modifications to control access along Corrington Avenue to improve traffic flow and truck movement through the intersection at Front Street, as determined through staff coordination with the City of Kansas City.

**Route I-470, Jackson County
From Colbern Road to Woods Chapel Road
Job No. J4I1650**

Public Hearing Held December 14, 2005

This proposed improvement provides for a new diamond interchange on I-470 at Strother Road; with auxiliary lanes between Colbern Road and Woods Chapel Road; the extension of Strother Road east of I-470 to the new Todd George Parkway (a local road); and the extension of Todd George Parkway from Colbern Road to Woods Chapel Road. I-470 will consist of four 12-foot lanes with 12-foot auxiliary lanes and 6-foot shoulders. This project will have fully controlled right of way access on I-470. The project will be done under traffic using temporary bypasses. The project is 2.4 miles in length.

Ms. Beth Wright, District 4 Engineer, recommended approval of the location as presented at the public hearing.

**Route 72, Bollinger County
0.1 Mile East of Route 51 to 3.0 Miles East of Route B
Job No. J0P0848**

Public Hearing Held March 23, 2006

This proposed improvement consists of grading and paving to widen and resurface the travel lanes and shoulders. The roadway will have two 11.5-foot

lanes and 6-foot paved shoulders. This project will have normal access right of way. Traffic will be maintained through the existing roadway. This project is 9.9 miles in length

Mr. Mark Shelton, District 10 Engineer, recommended approval of the location and design of the proposed improvement as presented at the public hearing.

**Route 67, Madison County
0.5 Mile South of Route E to the Wayne County Line
Job No. J0P0928**

Public Hearing Held April 4, 2006

The proposed improvement consists of grading, bridges, and paving to upgrade Route 67 to a four-lane facility. The new roadbed will consist of two 12-foot lanes with 4-foot and 10-foot paved shoulders. The project will have controlled access right of way. Traffic will be maintained on the existing roadway during construction. The project is 15.8 miles in length.

Mr. Mark Shelton, District 10 Engineer, recommended approval of the design of the proposed improvements as presented at the public hearing.

**Route 67, Wayne and Butler Counties
2.0 Miles South of Route F in Wayne County to Route O in Butler County
Job No. J0P0930**

Public Hearing Held April 6, 2006

This proposed improvement consists of grading, paving, bridges to upgrade to a four-lane facility. The new lanes will include two 12-foot lanes, with 4-foot inside and 10-foot outside shoulders. In addition, this project will include paving an additional four miles of roadbed constructed under MoDOT Job No. J0P0918. This project will have controlled access right of way. Traffic will be maintained on the existing roadway during construction. This project is 7.8 miles in length.

Mr. Mark Shelton, District 10 Engineer, recommended approval of the design of the proposed improvements as presented at the public hearing.

After full consideration of the favorable and adverse economic, social, and environmental effects of the recommended designs, the Commission via approval of the Consent Agenda, unanimously found and determined the recommended designs would best serve the interest of the public and approved the recommendations.

* * * * *

RATIFICATION AND APPROVAL OF RIGHT OF WAY PLANS FOR CONDEMNATION

On behalf of the Director, Dave Nichols, Director of Program Delivery, recommended the Commission ratify the approval of the following right of way plans, which have been filed for condemnation.

<u>County</u>	<u>Route</u>	<u>Job Number</u>	<u>Date Commission Approved Design</u>
St. Louis/ St. Louis City	I-64	J6I0978	October 14, 2005

In accordance with Section 227.050 RSMo, the Commission, via approval of the Consent Agenda, approved the right of way plans for the above-noted projects and directed they be filed as necessary for the condemnation of right of way.

* * * * *

THE BROADWAY-FAIRVIEW TRANSPORTATION DEVELOPMENT DISTRICT, APPOINTMENT OF ADVISOR AND APPROVAL OF PROJECT

On behalf of the Director, Roger Schwartze, District 5 Engineer, and Kirk Boyer, Resource Management Director, advised the Commission that in response to a petition filed by Broadway-Fairview, LLC, with the Circuit Court of Boone County, the court, on February 23, 2005, established the Broadway-Fairview Transportation Development District as a political subdivision for the purpose of funding all improvements at and around the intersection of Broadway Boulevard and Fairview Road in the City of Columbia. The Commission does not own any real property within the proposed Transportation Development District; however, the proposed transportation projects includes the following improvements on the state highway system: (1) acquisition of right of way and construction of all improvements necessary to

upgrade the intersection of Broadway Boulevard and Fairview Road, and (2) construction of pedways, sidewalks, bike lanes, various pedestrian crossings, and pedestrian safety improvements on Broadway Boulevard.

In keeping with Sections 238.220(3) and 238.225(1), RSMo, the Commission, via approval of the consent agenda, (1) appointed the District 5 District Engineer or his designee as the Commission advisor to the Broadway-Fairview Transportation Development District's board of directors and (2) found the improvements at the intersection of Fairview Road are a necessary and desirable extension of the state highway system, subject to the Transportation Development District making any revisions in the plans and specifications required by the Commission and subject to the Transportation Development District entering into a mutually satisfactory agreement with the Commission regarding development and future maintenance of the state portion of the project. The Commission has no financial participation in the project. In keeping with the Commission's Delegation of Authority to Execute Documents, the Director, Chief Engineer, Chief Financial Officer, or respective business unit director may execute the related agreements.

* * * * *

THE TOWER TRANSPORTATION DEVELOPMENT DISTRICT, APPOINTMENT OF ADVISOR AND APPROVAL OF PROJECT

On behalf of the Director, Beth Wright, District 4 Engineer, and Kirk Boyer, Resource Management Director, advised the Commission that in response to a petition filed by Northlander Properties, LLC, and Olympic Realty, LLC, with the Circuit Court of Clay County, the court, on November 10, 2005, established the Tower Transportation Development District as a political subdivision for the purpose of funding all improvements for the connection of Missouri Route 1 (M-1), also known as Prospect Avenue, and 64th Street within the City of

Gladstone. The Commission does not own any real property within the proposed Transportation Development District; however, construction of acceleration, deceleration, and turn lane improvements on M-1 will be on the Commission's right of way.

In keeping with Sections 238.220(3) and 238.225(1), RSMo, the Commission, via approval of the consent agenda, (1) appointed the District 4 District Engineer or his designee as the Commission advisor to the Tower Transportation Development District's board of directors and (2) found the improvements of M-1 at the connection of 64th Street is a necessary and desirable extension of the state highway system, subject to the Transportation Development District making any revisions in the plans and specifications required by the Commission and subject to the Transportation Development District entering into a mutually satisfactory agreement with the Commission regarding development and future maintenance of the state portion of the project. The Commission has no financial participation in the project. In keeping with the Commission's Delegation of Authority to Execute Documents, the Director, Chief Engineer, Chief Financial Officer, or respective business unit director may execute the related agreements.

* * * * *

INFORMATION SYSTEM BUDGET PROCESS IMPROVEMENT

On behalf of the Director, Mike Miller, Information Systems Director, presented the revamped budget process for the Information Systems Division to align with MoDOT's tangible results. To aid in that process, a 13-member committee comprised of MoDOT's senior management, was created to approve and prioritize the Information Technology Improvement Plan (ITIP). The budget process includes identifying business needs, developing possible solutions, and developing business cases for review by the ITIP committee. The ITIP committee reviews the draft budget and prioritizes the budget items.

Commissioner Anderson noted the Commission's concern with the process for determining information technology needs and budget justification as expressed at the Commission's July 9, 2004, meeting, and on behalf of all the Commissioners, he commended Mr. Miller for the process improvements made during the past 18 months, which will lead to a transparent, needs-based budget.

* * * * *

BUDGET, FISCAL YEAR 2007

On behalf of the Director, Roberta Broeker, Chief Financial Officer, and Kirk Boyer, Resource Management Director, presented the proposed Fiscal Year 2007 budget.

Overview of Budget Process

Ms. Broeker informed the Commission that in an effort to improve the budget process a team comprised of the two district engineers and five division heads had worked diligently to create a budget process that is understandable and useable as a management tool. The team's policy recommendations are in the process of being implemented.

Ms. Broeker noted that in developing the proposed budget (1) the income projections for Fiscal Year 2007 were developed with input from MoDOT managers to ensure reasonableness of the projections, (2) the Resource Management staff met with Division Directors and District Engineers to discuss budget issues, and (3) the management staff reviewed the proposed budget in light of MoDOT's tangible results to ensure resources were allocated in a manner that would allow desired outcomes to be achieved.

Mr. Broeker said as a result of the revised budget process, the Commission will be asked to approve the budget at a high level, which will allow flexibility for the staff to move forward

with business and decisions expenditures based on that approval. Throughout the year the staff will provide information comparing actual expenditures to the Commission-approved budget.

Presentation of the Budget

Mr. Boyer presented a budget request in the amount of \$2,461,582 for Fiscal Year 2007, and he discussed the proposed budget income and expenditures with the Commission. He expressed concern that state revenue may continue to decline due to the increase in fuel costs and slow vehicle sales. He emphasized that the decline of vehicle sales tax and user fees has an adverse affect on MoDOT's Amendment 3 bonding program, as well as the State Transportation Fund.

Commissioner Anderson commended Ms. Broeker and Mr. Boyer on the new budget process. He stated that the new process is needs based, logical, rational, and accountable. He noted that monthly adjustments would not be needed, resulting in clearer and more easily understood annual comparisons of the budget to actual expenditures.

The Commission will consider the proposed Fiscal Year 2007 budget and Fiscal Year 2006 budget adjustments at its June 14, 2006, meeting.

* * * * *

MEDICAL AND LIFE INSURANCE PLAN, PHARMACY BENEFITS CONSULTING SERVICES

On behalf of the Director, Jeff Padgett, Manager of Employee Benefits, recommended approval of a contract with Independent Pharmaceutical Consultants, Inc. (IPC) to provide consulting services, including analysis of statistical data relative to the pharmacy benefits provided under the Medical and Life Insurance Plan. IPC is the current vendor. The projected cost for calendar year 2007 is \$101,000 for non-Medicare services and \$300,000 for Medicare coordination services.

Via approval of the consent agenda, the Commission, by unanimous vote of all members present approved a contract with Independent Pharmaceutical Consultants, Inc. (IPC) to provide services in keeping with the provisions noted above. The Commission further (1) authorized the Director, Chief Engineer, Chief Financial Officer, or the Chairman of the Medical and Life Insurance Plan Board of Trustees to execute the contract, and (2) authorized the Director, Chief Engineer, Chief Financial Officer, or the Chairman of the Medical and Life Insurance Plan Board of Trustees to approve and execute four one-year extensions, if deemed appropriate by the designated staff member(s) to do so. Price increases would be an average of 4 percent for the first year, 5 percent for the second year, 5 percent for the third year, and 6 percent for the fourth year, calculated on the prior year's cost.

* * * * *

INCARCERATED WORK RELEASE CREWS, TRANSPORTATION

On behalf of the Director, David DeWitt, Deputy Administrative Officer, and Dale Ricks, District 8 Engineer, recommended approval of a contract with Allied Bus Sales, to provide transportation for work release crews to a central distribution location in District 8, at an anticipated cost of \$50,800.

Via approval of the consent agenda, the Commission, by unanimous vote of all members present, approved the recommendation, and authorized the Director, Chief Engineer, Chief Financial Officer, or Deputy Administrative Officer to execute the contract, subject to approval as to form by the Chief Counsel's Office.

* * * * *

**ADVANCED TRAFFIC MANAGEMENT SYSTEM,
SPRINGFIELD-BRANSON REGION (PHASE 2)**

On behalf of the Director, Dale Ricks, District 8 Engineer, recommended approval of a contract with PB Farradyne, a District of Parsons Brinckerhoff Quade & Douglas, Inc., for the second phase development of an advanced traffic management system for the Springfield-Branson region, at an anticipated cost of \$1,168,976.

Via approval of the consent agenda, the Commission, by unanimous vote of all members present, approved the recommendation.

* * * * *

**SERVICE CONTRACT OF OPERATIONAL STAFFING,
ST. LOUIS TRANSPORTATION MANAGEMENT CENTER**

On behalf of the Director, Ed Hassinger, District 6 Engineer, recommended approval of a contract with Parsons Brinckerhoff Quade & Douglas, Inc., to provide operational staffing for the St. Louis Transportation Management Center, not to exceed a total amount of \$4,233,326. The contract will provide services for two years with an option for two separate annual renewals at MoDOT's discretion. The current contract is with Metro Networks, Inc., and will expire on June 30, 2006.

Via approval of the consent agenda, the Commission, by unanimous vote of all members present, approved the recommendation, and authorized the Director, Chief Engineer, Chief Financial Officer, or Director of System Management to execute the contract subject to approval as to form by the Chief Counsel's Office.

* * * * *

**DISPOSAL OF EXCESS PROPERTY,
ROUTE 61/67, ST. LOUIS COUNTY**

On behalf of the Director, Ed Hassinger, District 6 Engineer, advised the Commission that three sealed bids had been received in response to MoDOT's offer to sell a 0.28-acre property (Excess Parcel E6-0892) located adjacent to Route 61/67, St. Louis County. He recommended conveyance of the property to the highest bidder, DDD Investments, LLC, for \$330,000. The parcel was acquired in conjunction with Job No. J6S1493.

Via approval of the consent agenda, the Commission unanimously approved the recommendation.

* * * * *

**BREAK IN ACCESS,
ROUTE 136, CLARK COUNTY**

On behalf of the Director, Kirk Juranas, District 3 Engineer, recommended approval of a request from the City of Wayland, to break limited access for the purpose of constructing a 40-foot wide city street located at the northerly right of way line opposite Station 42+36.13 on Route 136, Clark County. The proposed entrance is a non-arterial street constructed to accommodate a commercial development and will not provide traffic relief to the state system; therefore, the request is outside the authority granted the MoDOT staff for approval of changes in access on limited access roadways (See February 13, 1997, Commission Meeting Minutes, "Policy – Changes in Access on Limited Access Roadways.") The City of Wayland will compensate the Commission in the amount of \$2,500 for the change.

Via approval of the consent agenda, the Commission unanimously approved the request of the City of Wayland as recommended by Mr. Juranas.

* * * * *

--- REPORTS ---

CONTRACTOR PERFORMANCE REPORT

Dave Ahlvers, State Construction and Materials Engineer, presented the annual Contractor Performance Report for 2005. The Department utilizes this process to encourage performance improvement on contracts. This rating system identifies best and worst performers. Failure to improve performance leads to increased disciplinary measures.

* * * * *

FINANCIAL REPORT – FISCAL YEAR 2006

Roberta Broeker, Chief Financial Officer, presented the Financial Report for the nine months ended March 31, 2006, with budget and prior year comparisons.

* * * * *

FINANCIAL ACCOUNTABILITY REPORT, QUARTERLY REPORT

Deborah S. Rickard, Acting Controller, presented the written Quarterly Financial Accountability Report for the period ended March 31, 2006.

* * * * *

* * * * *

By unanimous consensus of all members present, the meeting of the Commission
adjourned.

* * * * *